

# Investing for Successful Retirement

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**UD Osher – OLLI**

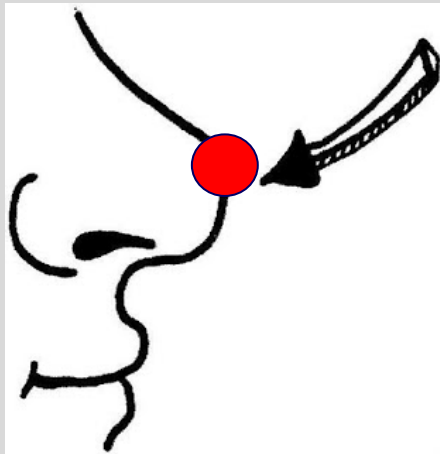
**Spring 2026**

□ **Rajeev A. Vaidya**

□ **Ron Materniak**

# Disclaimer in plain language

## Disclaimer – in plain language:



Opinions are like noses, everyone has one !

You are going to see mine in this course !!

We are simply sharing our perspective.

**This is not investment advice or recommendation.**

**Ron, and I are not a financial advisors.**

**This course is for educational purposes only.**

Form your own opinion, make your own investment decisions.

# Thirteenth Class – May 6th

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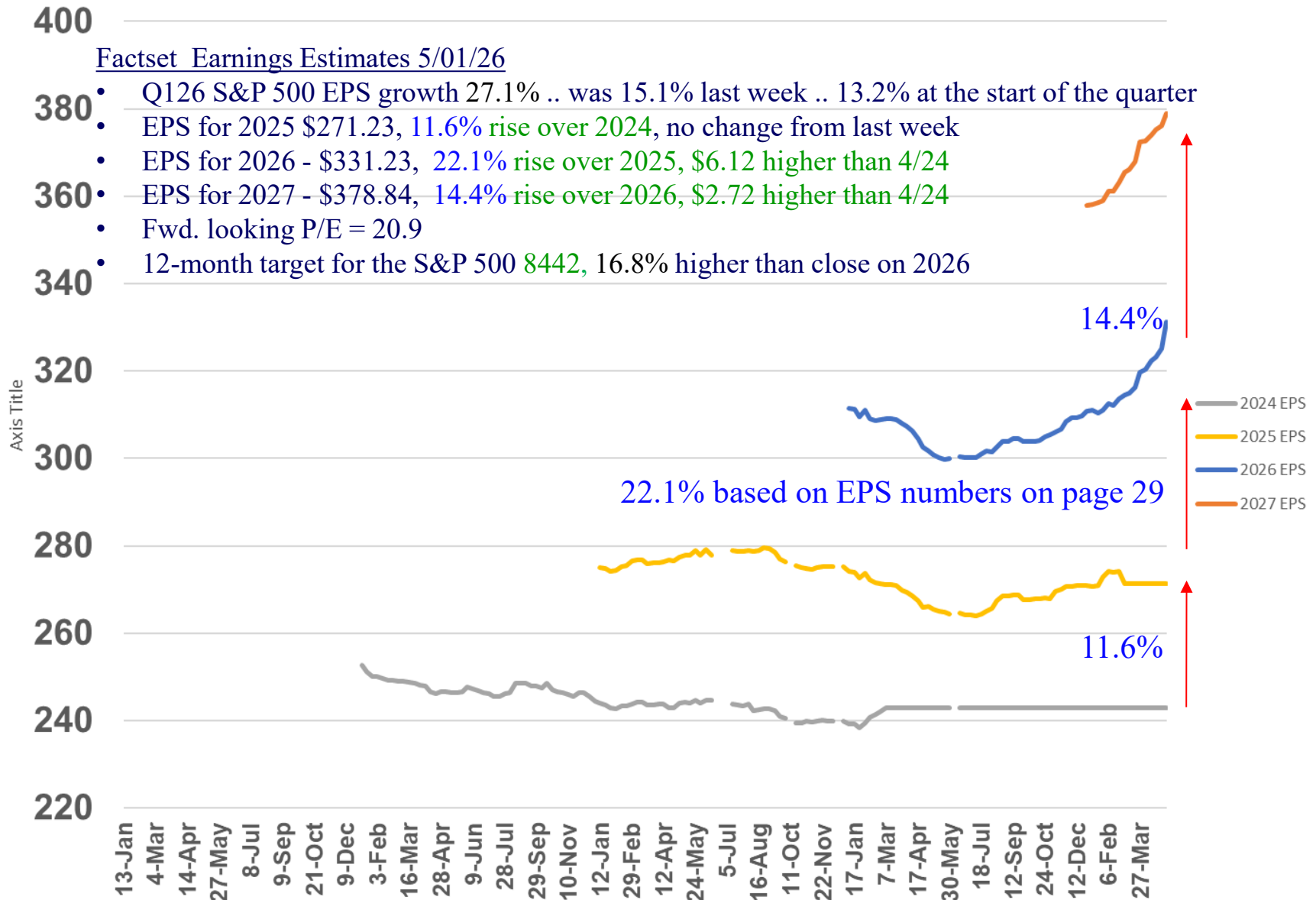
- Market Update
- Disciplined Buying and Selling
- Class Feedback – Zoom Polls

# Factset(R) - S&P 500 Calendar year earnings forecast

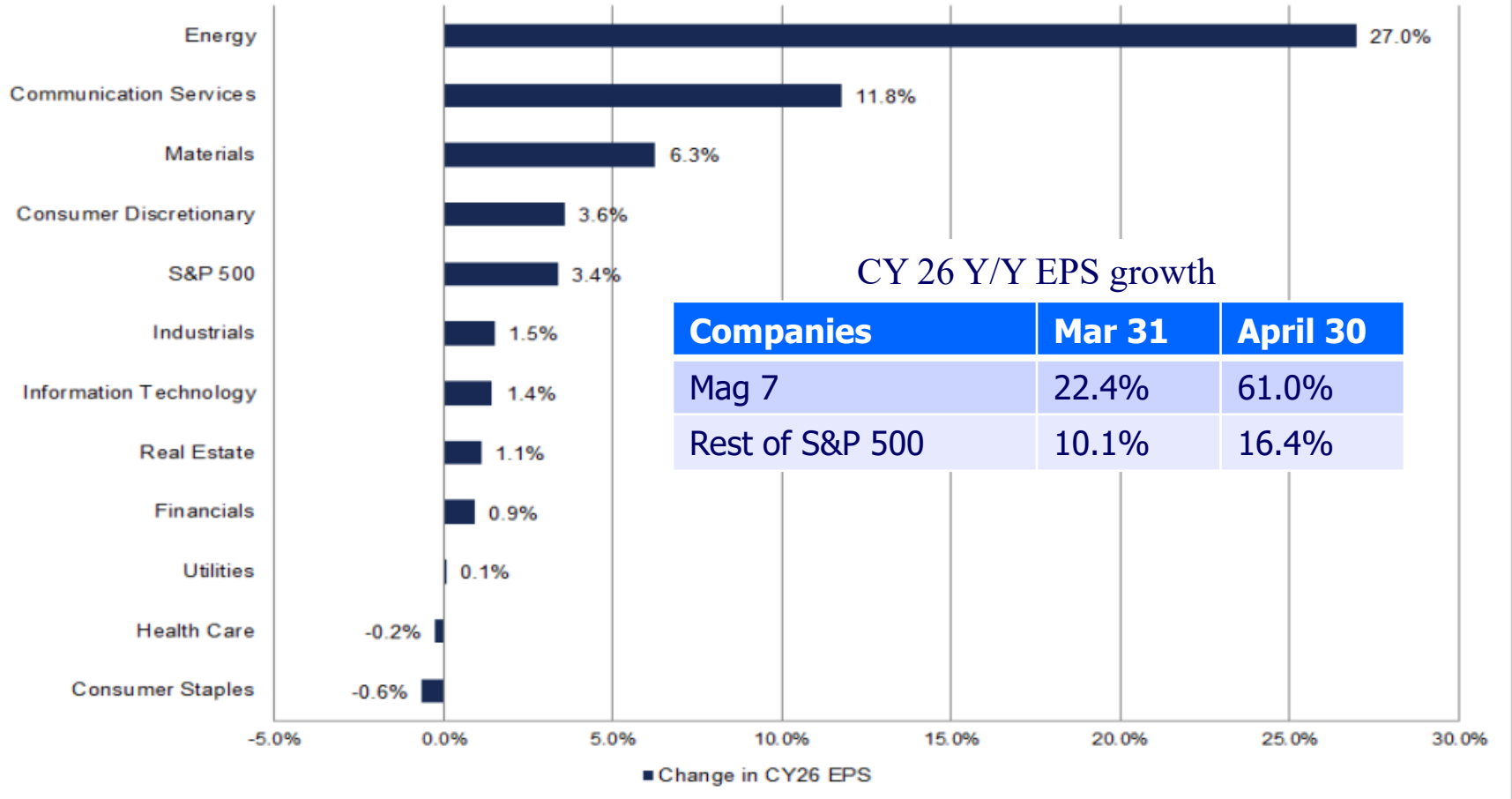
[https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight\\_050126.pdf](https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_050126.pdf)

## Factset Earnings Estimates 5/01/26

- Q126 S&P 500 EPS growth 27.1% .. was 15.1% last week .. 13.2% at the start of the quarter
- EPS for 2025 \$271.23, 11.6% rise over 2024, no change from last week
- EPS for 2026 - \$331.23, 22.1% rise over 2025, \$6.12 higher than 4/24
- EPS for 2027 - \$378.84, 14.4% rise over 2026, \$2.72 higher than 4/24
- Fwd. looking P/E = 20.9
- 12-month target for the S&P 500 8442, 16.8% higher than close on 2026



**S&P 500: Change in Sector-Level CY26 EPS (Mar 31 to Apr 30)**  
(Source: FactSet)

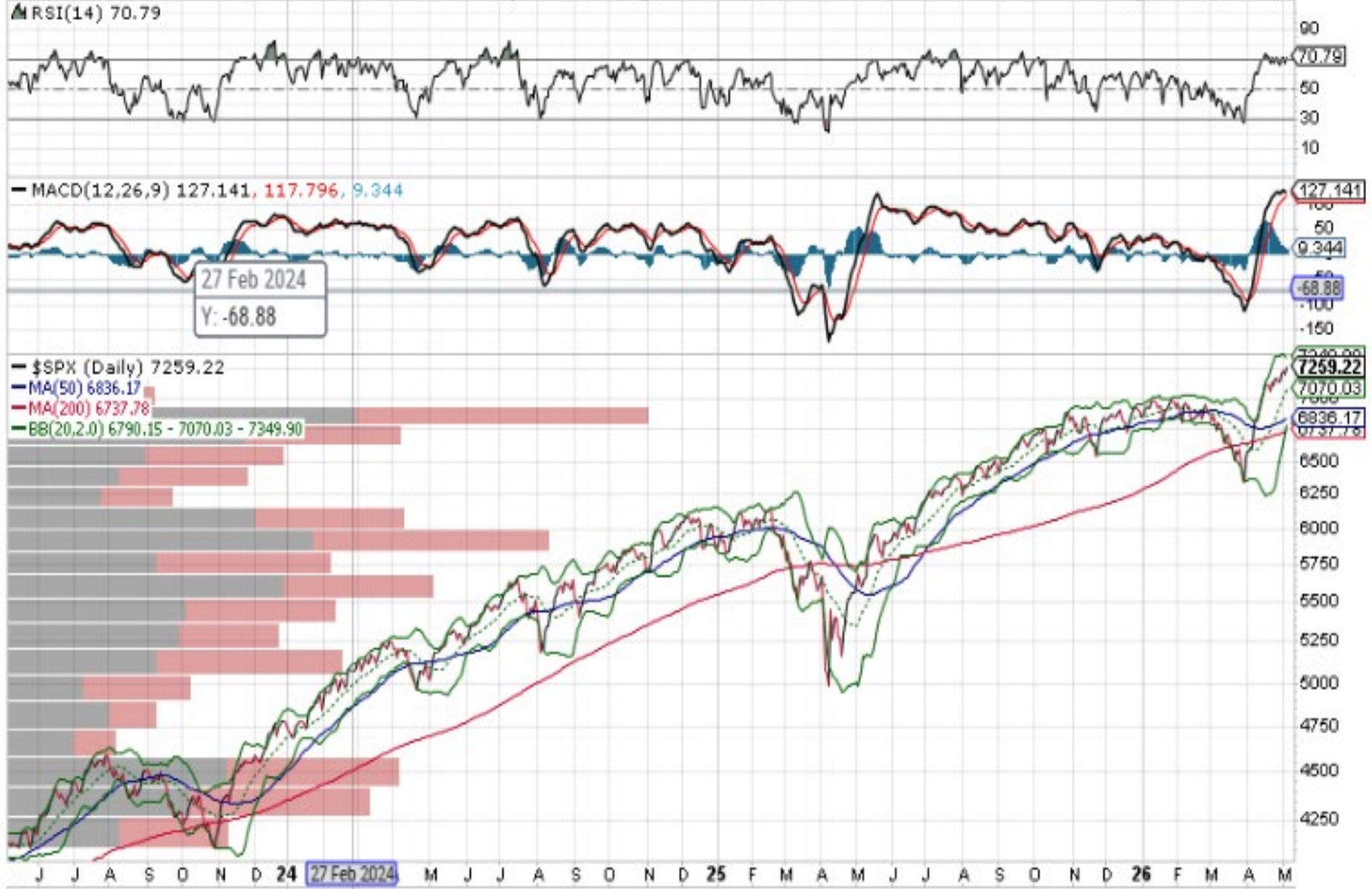


**\$SPX S&P 500 Large Cap Index INDX**

© StockCharts.com

5-May-2026

Open 7233.62 High 7273.26 Low 7233.62 Close 7259.22 Volume 3.2B Chg +58.47 (+0.81%) ▲

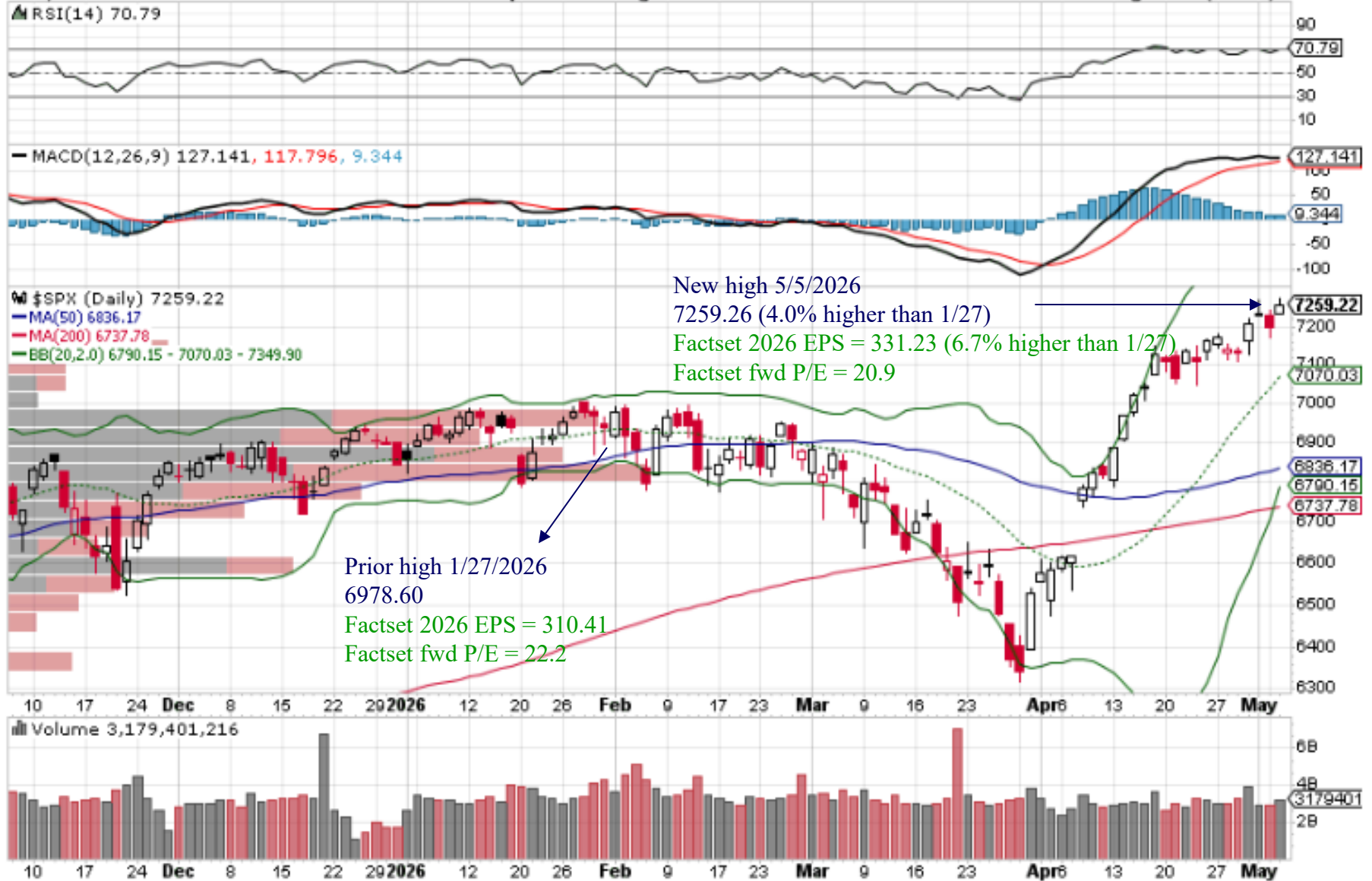


\$SPX S&P 500 Large Cap Index INDX

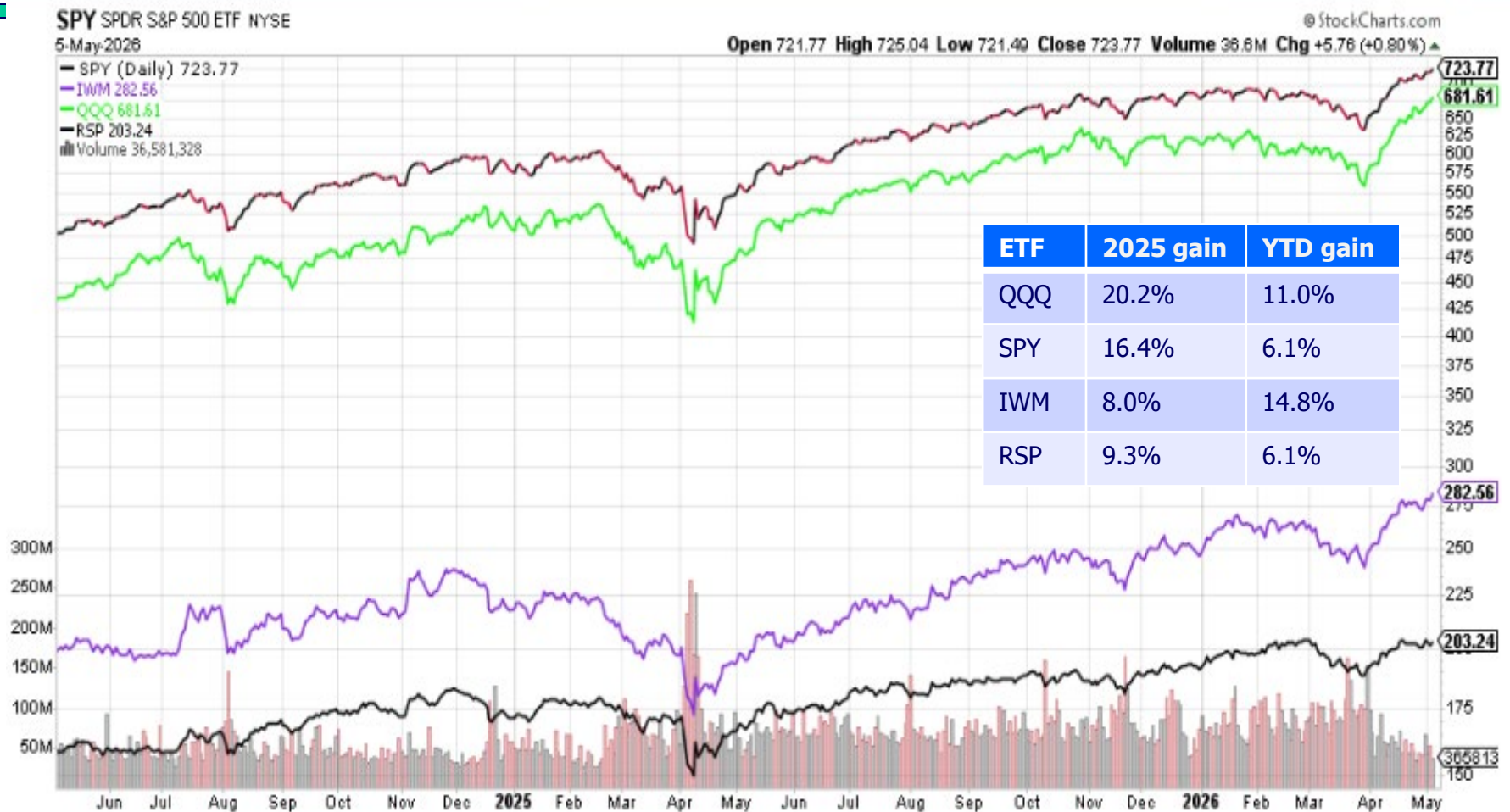
5-May-2026

Open 7233.82 High 7273.26 Low 7233.62 Close 7259.22 Volume 3.2B Chg +58.47 (+0.81%)

© StockCharts.com



# Market Breadth – another way





A/D line on SPY, Russell 2000, NASDAQ and NASDAQ – 100 – no longer in the charts each week

<https://www.marketinout.com/chart/market.php?breadth=advance-decline-line>

# Weekly Market direction

guywerner@verizon.net

COLUMNS C,D,E BY DAVE (IN THE NORTH) SMITH			DIST DAYS		DOW AVERAGE					S&P 500 TRIPLE SCREEN					NASDAQ TRIPLE SCREEN							
	DATE	MARKET PULSE (IBD)	S&P 500	NASDAQ	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE
SAT	04/18/26	FOR THE WEEK						1,531	3.20%					310	4.55%						1,566	6.84%
SUN	04/19/26	YTD						1,384	2.88%					281	4.11%						1,227	5.28%
MON	04/20/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	X	X	P	P	P	49,442	-5	-0.01%	P	P	P	7,109	-17	-0.24%	P	P	P	24,404	-64	-0.26%
TUE	04/21/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	1	1	P	P	P	49,149	-293	-0.59%	P	P	P	7,064	-45	-0.63%	P	P	P	24,259	-145	-0.59%
WED	04/22/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	1	1	P	P	P	49,490	341	0.69%	P	P	P	7,137	73	1.03%	P	P	P	24,657	398	1.64%
THUR	04/23/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	2	1	P	P	P	49,310	-180	-0.36%	P	P	P	7,108	-29	-0.41%	P	P	P	24,438	-219	-0.89%
FRI	04/24/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	2	1	P	P	P	49,230	-80	-0.16%	P	P	P	7,165	57	0.80%	P	P	P	24,836	398	1.63%
SAT	04/25/26	FOR THE WEEK						-217	-0.44%					39	0.55%						368	1.50%
SUN	04/26/26	YTD						1,167	2.43%					320	4.67%						1,595	6.86%
MON	04/27/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	3	1	P	P	P	49,167	-63	-0.13%	P	P	P	7,173	8	0.11%	P	P	P	24,887	51	0.21%
TUE	04/28/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	3	1	P	P	P	49,141	-26	-0.05%	P	P	P	7,138	-35	-0.49%	P	P	P	24,663	-224	-0.90%
WED	04/29/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	3	1	P	P	P	48,862	-279	-0.57%	P	P	P	7,136	-2	-0.03%	P	P	P	24,673	10	0.04%
THUR	04/30/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	3	1	P	P	P	49,652	790	1.62%	P	P	P	7,209	73	1.02%	P	P	P	24,892	219	0.89%
FRI	05/01/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)	3	1	P	0	P	49,499	-153	-0.31%	P	P	P	7,230	21	0.29%	P	P	P	25,114	222	0.89%
SAT	05/02/26							269	0.55%					65	0.91%						278	1.12%
SUN	05/03/26							1,436	2.99%					385	5.62%						1,873	8.06%
MON	05/04/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)			P	0	P	48,941	-558	-1.13%	P	P	P	7,200	-30	-0.41%	P	P	P	25,067	-47	-0.19%
TUE	05/05/26	STILL WAGGING THE DOG CONFIRMED UP (80% -100%)			P	0	P	49,298	357	0.73%	P	P	P	7,259	59	0.82%	P	P	P	25,326	259	1.03%

Updated every Sunday

# Market Summary – Stockcharts®

Stockcharts.com → Main Screen → Market Analysis

**New feature** – Market Summary

KELLER MARKET MODELS			
MACRO MODEL STOCKS MODEL			
	ST	MT	LT
Stocks (SPY)	↑	↑	↑
Bonds (TLT)	↓	↓	↑
Commodities (DBC)	↑	↑	↑
US Dollar (\$USD)	↓	↓	↓

KELLER MARKET MODELS			
MACRO MODEL STOCKS MODEL			
	ST	MT	LT
S&P 500 (SPY)	↑	↑	↑
S&P 400 (MDY)	↑	↑	↑
Russell 2000 (IWM)	↑	↑	↑
NASDAQ 100 (QQQ)	↑	↑	↑

# US govt bonds – TLT & SGOV

SGOV – Short term 0 to 3 month US treasuries



# U.S. Dollar

\$USD US Dollar - Cash Settle FOREX

5-May-2026 10:39pm

© StockCharts.com

\$USD (Weekly) 98.50

MA(40) 98.54

Volume undef

Open 98.05 High 98.58 Low 97.97 East 98.50 Chg +0.34 (+0.35%) ▲



# Thirteenth Class – May 6th

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- Market Update
- Disciplined Buying and Selling
- Class Feedback – Zoom Polls

# Risk Waterfall

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- Systematic Risk – macroeconomic and other “system” events that influence the value of financial assets in general.
  
- Unsystematic Risk
  - Risk in the Stockmarket
    - How stocks will perform in the current financial environment.
    - Measured by volatility in the asset class
    - Correlation of the asset class to the economy and other asset classes.
  - Risks to specific sectors / industries within the stock market.
    - How the industry will perform in the current economy
    - Measured by volatility in a specific sector
  - Risk in a specific company within the sector/industry
    - How the company performs in the sector/industry
    - What happens to that company – financial performance
    - Measured by Beta for that company within the market.

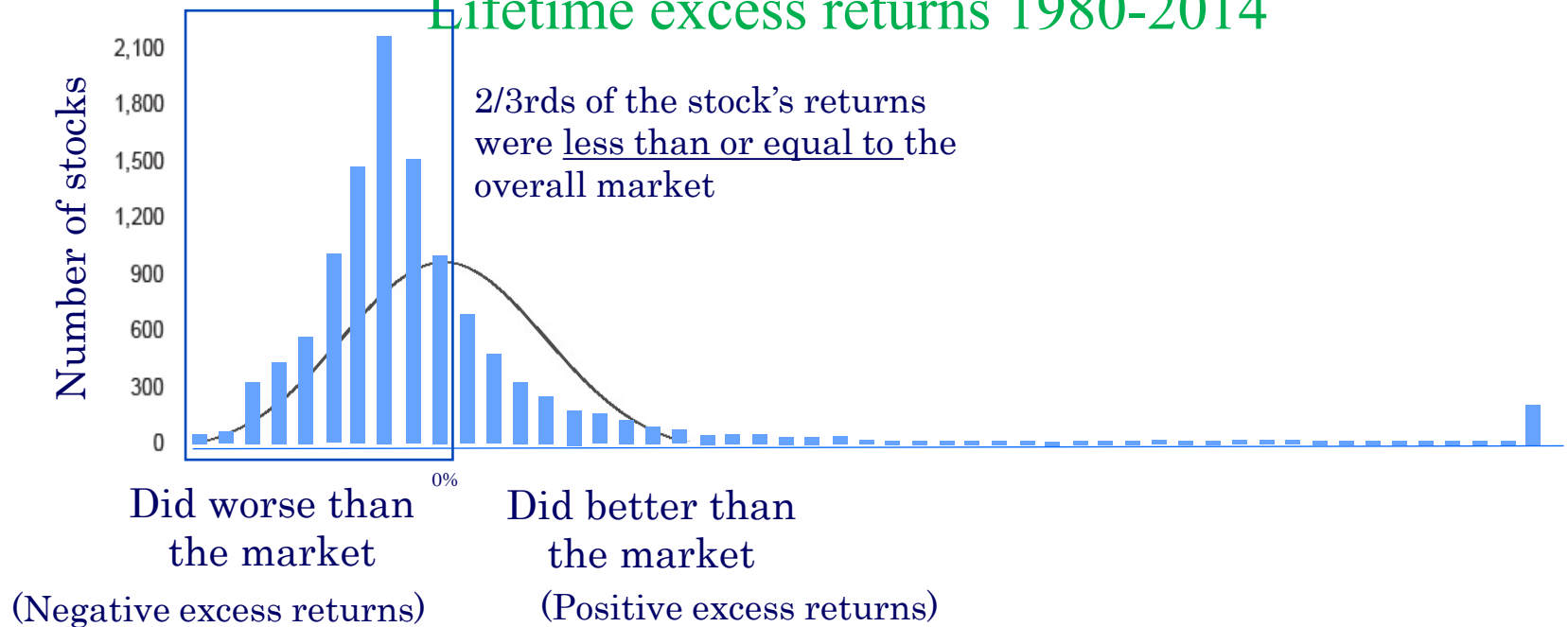
Why are  
you taking  
more risk?



# The Difficulty In Picking A Winning Stock

Excess Return = Did the stock do better or worse than the overall market

Lifetime excess returns 1980-2014



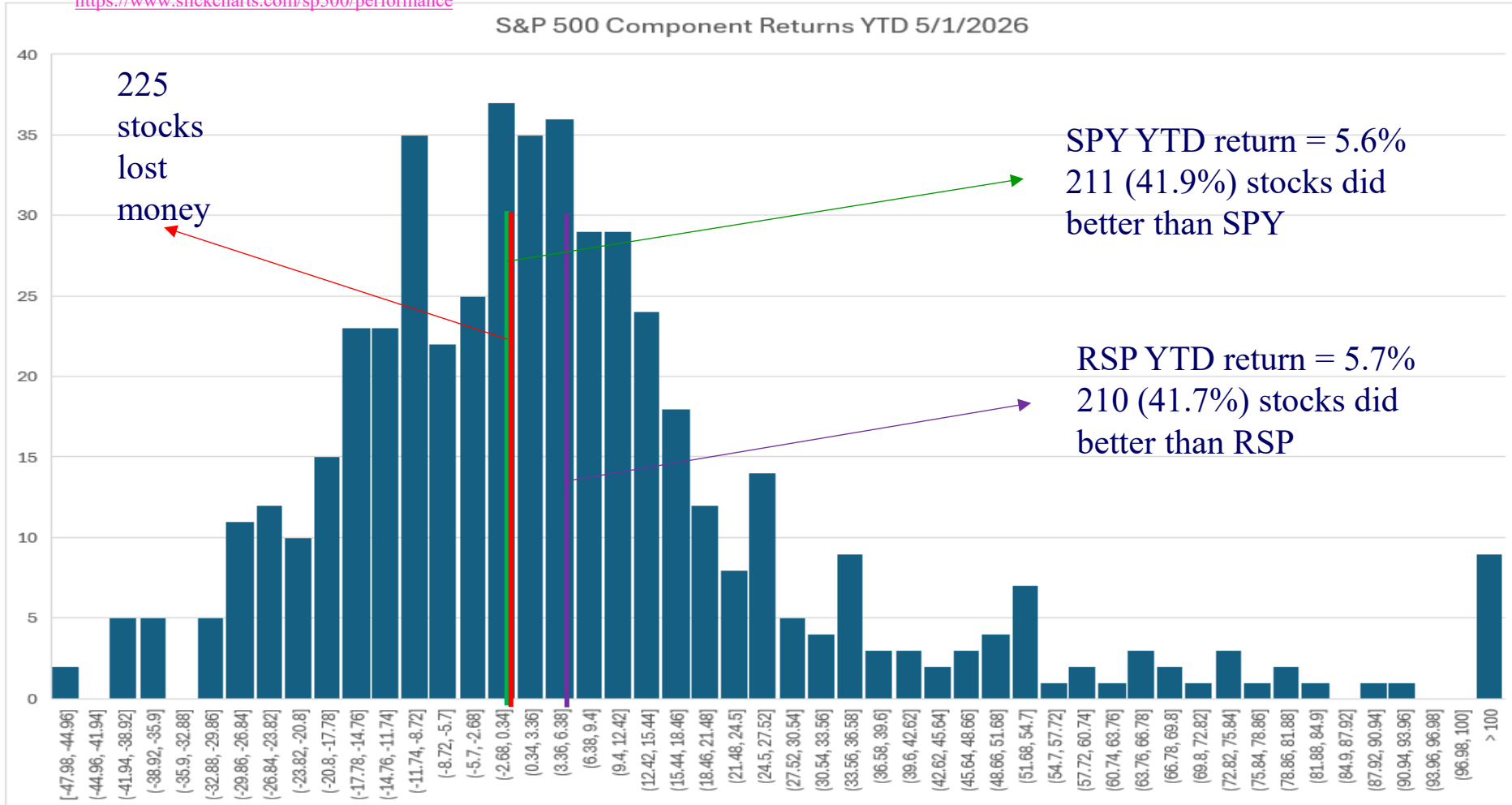
Source: FactSet, J.P. Morgan Asset Management.

Prof. Rich Jakotowicz – Spring 2019

# The Difficulty In Picking A Winning Stock

## Updated short term data

<https://www.slickcharts.com/sp500/performance>



5/5/2026

Rajeev Vaidya

17

# Disciplined buying

## Investment thesis:

This is a good investment because .....

70% of the analysis

## Entry Point:

This is a good price / entry point to buy because .....

## Position Size:

I can buy XXX shares for my portfolio

30%

If I am right, I will make gains by selling the stock @ .....

## Exit Rules:

If I am wrong, I will limit losses by exiting the position @....

## Can be AI assisted:

- Investor smells the opportunity and bring a disciplined trading system
- AI provides 'Warp Speed' analysis – needs to be checked

# First Investment Decision: Quality Is this a good company to own?

## Indicators of Quality

- Demonstrated sales growth in a growth market
  - Demonstrated earnings & cash flow growth
  - Good Profit Margins
  - High return on Invested Capital and Equity
  - Good Management Team
- 
- Typically, we are looking for leaders in an industry group
  - It is very important to understand a company relative to its peers in an industry
  - Comparison of financial measures across industry groups can lead to misleading conclusions

***A bad stock is not worth owning at any price!!***

# Investment thesis

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- The industry leader XYZ is a good investment because:
  - Reason 1
  - Reason 2
  - Reason 3
- Risks to this investment are
  - Risk 1
  - Risk 2

Come back to re-examine this thesis frequently

## Three key Questions & Two ways to answer

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1. Is the stock undervalued?
2. If so, what could the price rise to?
3. Where could I exit and minimize losses, if my analysis is wrong?

- Fundamental Analysis
- Technical Analysis

# Fundamental Analysis

**Value: Is this a good price to buy at?  
What is the future potential?**

## Measures of value

- p/e ratio
- dividend yields
- p/book value
- p/cash flow ratio
- p/sales ratio

## Benchmarks of value

- vs. history
- vs. industry peers
- vs. market

$$\text{Future High Price projection} = \text{Future EPS} \times \text{Average Hi P/E ratio}$$

- Projected EPS
  - sales growth
  - EPS growth
- P/E ratio history
  - Expected high P/E

Easy Way – price projected by analyst reports

What is the right range for these valuation ratios  
For the company in question?

How does the current value for these ratios compare  
to this range? to peers in the industry? to the market?

How is the company growing?

- Sales
- EPS
- Cash flow
- Etc.

## Sources of information

- Value Line sheet – future price projection
- CFRA report – 12 month price target
- Analyst reports – Street.com, Brokerage sites
- MorningStar – fair value

# Second Investment Decision: Value

## Is this a good price / entry point to buy at?

### Fundamental analysis – Value vs. Price

		The buying decision	
		Price above value	Price below value
High Quality Company	High Quality Company	Wait to Buy	Buy
	Not	Short ?	Walk

Price - market tells you this everyday.  
Value - your analysis based on data  
- today's value  
- future value

### Technical analysis

Current position

- vs. trend
- vs. support and resistance

Current momentum / strength

Price / Volume patterns

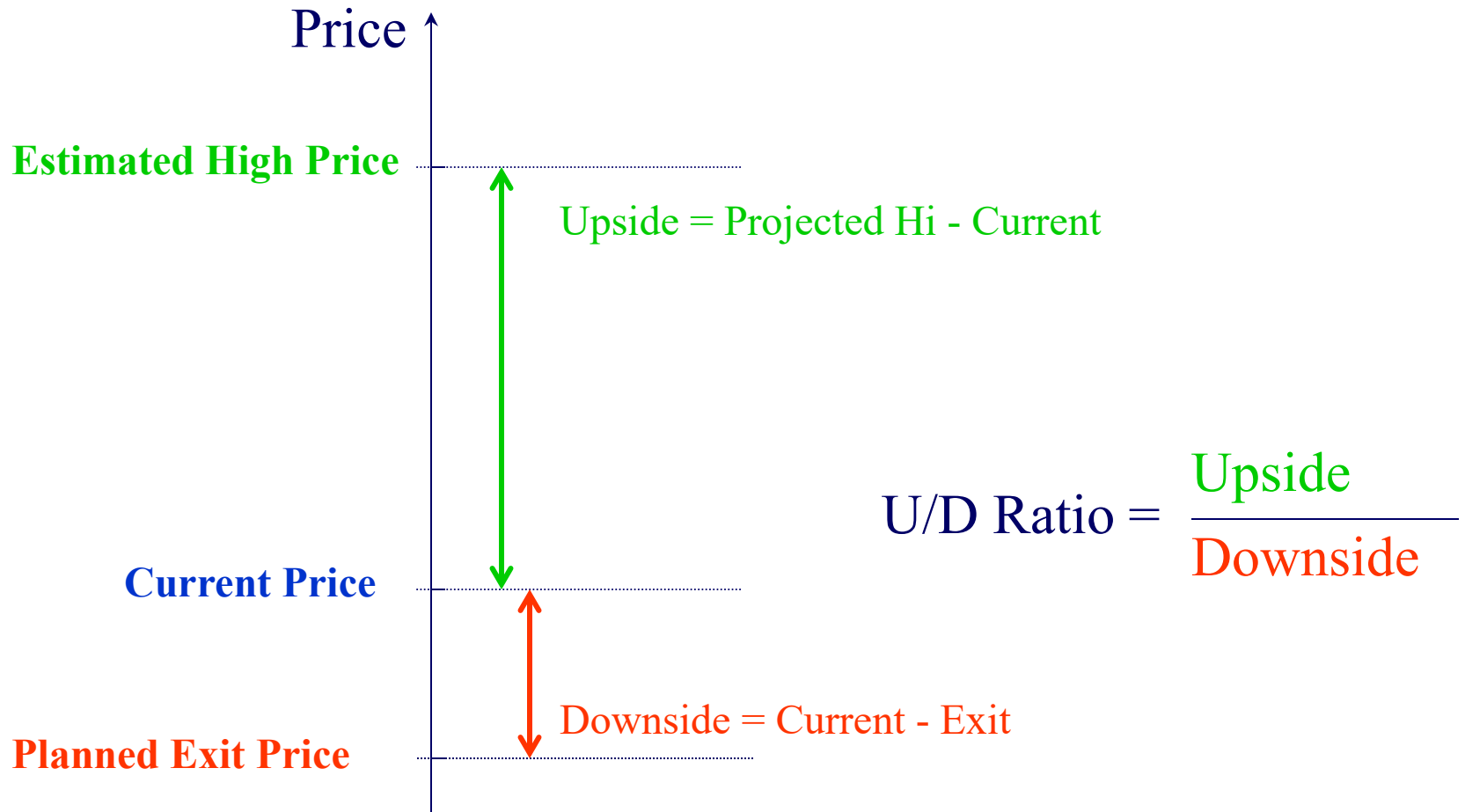
Projected / Predictable outcomes

# Support Levels

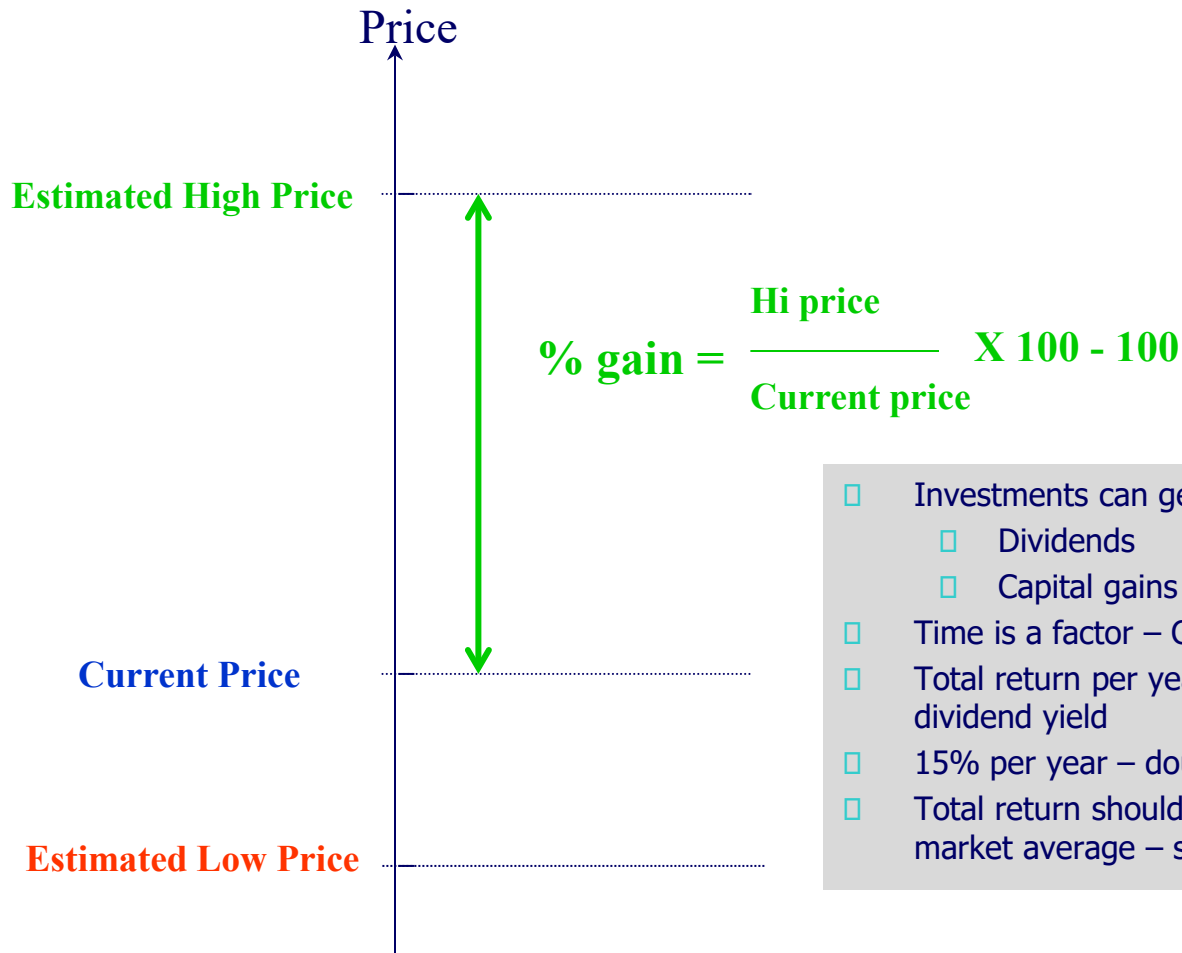
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- Term from technical analysis:
  - Definition: A price range where the market has repeatedly reversed a downward trend.
- Support levels can be read from the stock chart
- Support levels
  - Offer downside protection
  - Offer a place where prices will slow down in a decline
  - If penetrated by a downtrend can signify further downside.
- Support levels are a good marker for
  - Rethinking a buy decision
  - Stop orders

# Buy with Good Upside Downside Ratio



# Buy with good projected returns



- Investments can generate returns in two ways:
  - Dividends
  - Capital gains - Stock price appreciation
- Time is a factor – Capital gains per year (CAGR)
- Total return per year = CAP Gains CAGR + dividend yield
- 15% per year – doubles money in 5 years
- Total return should be more than projected market average – source Value Line

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The Median of Estimated  
**PRICE-EARNINGS RATIOS**  
of all stocks with earnings

**17.9**

26 Weeks Ago	Market Low	Market High
18.4	3-23-20 11.0	4-27-26 17.9

The Median of Estimated  
**DIVIDEND YIELDS**  
(next 12 months) of all dividend  
paying stocks

**2.0%**

26 Weeks Ago	Market Low	Market High
2.1%	3-23-20 3.7%	4-27-26 2.0%

The Median Estimated  
**THREE-TO-FIVE YEAR PRICE  
APPRECIATION POTENTIAL**  
of all stocks in the VL Universe

**45%**

26 Weeks Ago	Market Low	Market High
40%	3-23-20 145%	4-27-26 45%

The Median Estimated  
**18-MONTH APPRECIATION POTENTIAL  
TO TARGET PRICE RANGE**  
of all stocks in the VL Universe

**18%**

26 Weeks Ago	Market Low	Market High
19%	3-23-20 72%	4-27-26 18%

# Disciplined buying

## Investment thesis:

This is a good investment because .....

## Entry Point:

This is a good price / entry point to buy because .....

## Position Size:

I can buy XXX shares for my portfolio

If I am right, I will make gains by selling the stock @ .....

## Exit Rules:

If I am wrong, I will limit losses by exiting the position @....

# Position sizing rule:

- Set these parameters for your portfolio.
  - Max position size for any one investment in the portfolio
  - Max loss tolerated in any single investment
    - As a % of the total portfolio
    - As a % of the single investment
  
- Calculate maximum number of units of any investment based on:
  1. Limiting **max. position size** in portfolio = Formula 1
  2. Limiting **max loss per investment** in portfolio = Formula 2
  
- Pick the lesser of the two numbers as your max position size.

# Disciplined buying

## Investment thesis:

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## Entry Point:

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## Position Size:

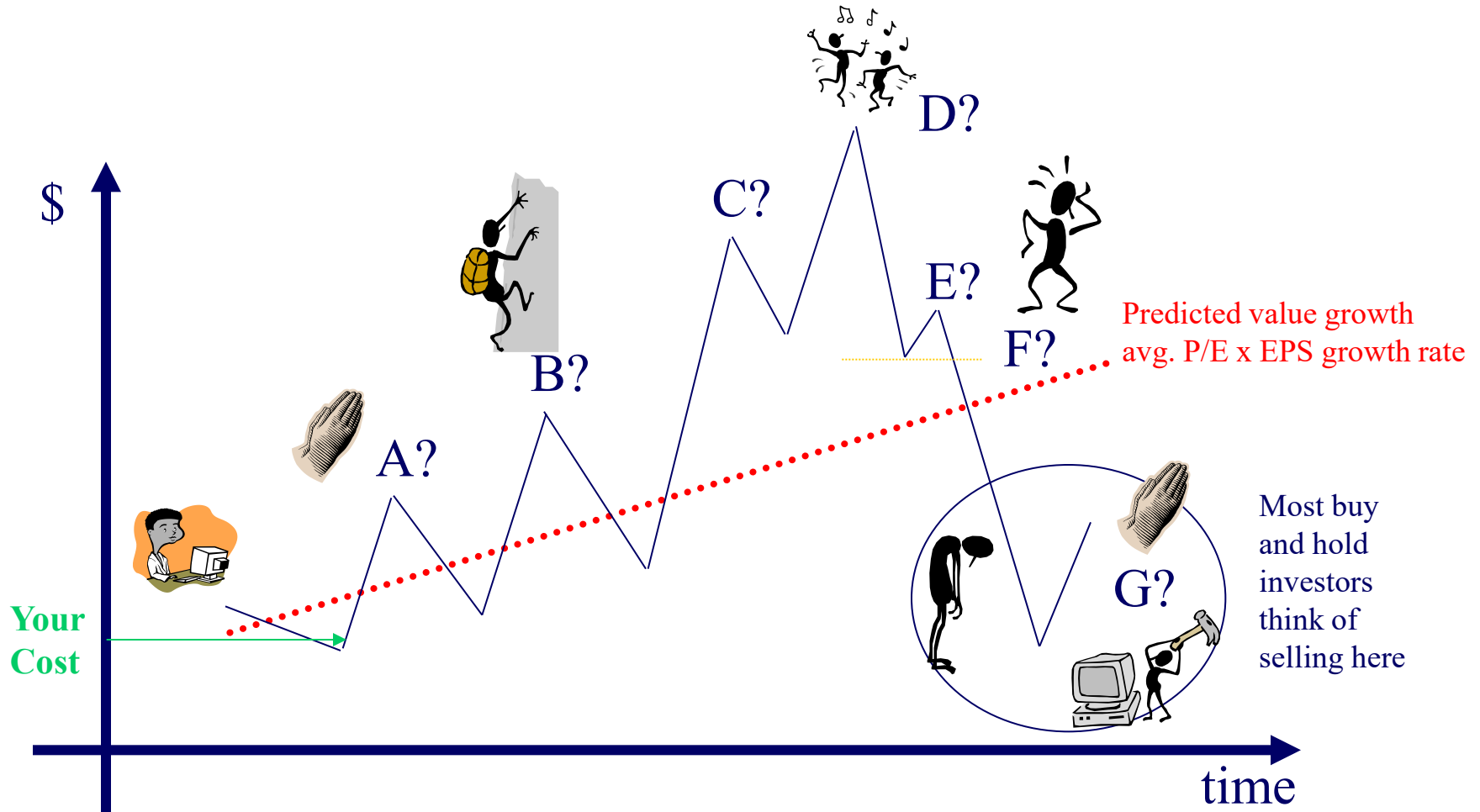
I can buy XXX shares for my portfolio

If I am right, I will make gains by selling the stock @ .....

## Exit Rules:

If I am wrong, I will limit losses by exiting the position @....

# When will you sell?



# Key messages ....

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- Selling is OK
- Match selling strategy to your investment thesis and bucket strategy.
- Three rules.
  - 1. Be impatient with your losers.**
  - 2. Protect your profits**
  - 3. Thinking of selling and selling are not the same**

# The psychological barrier

- Hope springs eternal ..!!
  - Buy - hope for a good future
  - Hold - hope for the good future to continue
  - Sell = abandoning hope
- Selling losers = admitting a mistake
- Selling winners
  - What's the rush?
  - What do I do with the money?
- Inertia rules ... Selling requires action.
  - No deadline ... market will always reopen the next day

hope



# The tax & fees argument

- You bought 100 shares of stock A at 20 and sold at 50.
- You bought stock B with the proceeds.
- The tax argument against selling:
  - @ **20%** cap gains, tax on sale = \$ 6/share
  - commissions on sale = ~~\$5~~
  - commissions on purchase = ~~\$5~~
  - money invested in B = \$4390
- Stock B has to grow 14% just to get back to \$5000.

**\*%#&\* !!! You never had \$5000 !!!**



**You are invited to the party the day I pay \$1 million in cap. gains taxes**



# The selling decision

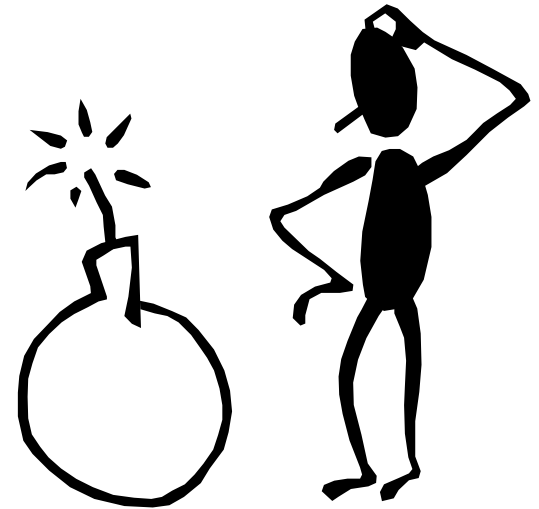
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- The correct questions:
  - Is continued ownership of this equity likely to be:
    - more profitable?
    - consistent with my investment goals?
  
- Some considerations
  - Is my investment thesis still sound?
  - Is market action consistent with my thesis?
  - Do I need to protect my profits or limit my losses?

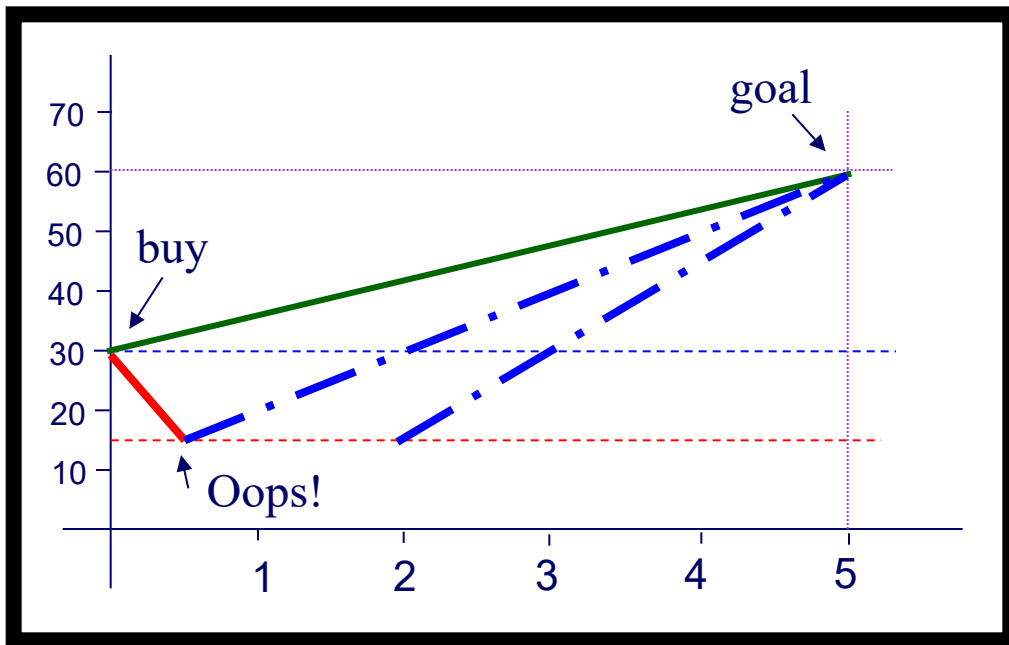
# Selling losers ..

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- Losses Hurt !!!
- Two golden rules
  - Rule 1 - Don't lose money !
  - Rule 2 - when in doubt, reread Rule 1.



# Patience necessitates miracles ...



Percent Loss	Years until loss taken	Required compounded return rate to double in 5 years
10	1	22.1%
	2	30.5%
	3	49.1%
	4	122.2%
25	1	27.8%
	2	38.7%
	3	63.3%
	4	166.7%
33.3	1	31.6%
	2	44.2%
	3	73.2%
	4	199.9%
50	1	41.4%
	2	58.7%
	3	100.0%
	4	300.0%

# Losses Hurt !!

Stock	Value at Start	Change in 5 years	Value at end	Hold forever	Sell Losers @ 50% change	Sell Losers @ 40% change	Sell Losers @ 30% change	Sell Losers @ 20% change	Sell losers @ 10% change
A	\$ 100	200%	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
B	\$ 100	150%	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
C	\$ 100	150%	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
D	\$ 100	20%	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
E	\$ 100	20%	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
F	\$ 100	10%	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110
G	\$ 100	-20%	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 90
H	\$ 100	-50%	\$ 50	\$ 50	\$ 50	\$ 60	\$ 70	\$ 80	\$ 90
I	\$ 100	-50%	\$ 50	\$ 50	\$ 50	\$ 60	\$ 70	\$ 80	\$ 90
J	\$ 100	-90%	\$ 10	\$ 10	\$ 50	\$ 60	\$ 70	\$ 80	\$ 90
Total	\$ 1,000		\$ 1,340	\$ 1,340	\$ 1,380	\$ 1,410	\$ 1,440	\$ 1,470	\$ 1,510
			6.8%	6.8%	7.6%	8.2%	8.8%	9.4%	10.2%

# Act quickly on losers ...

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- Early action has benefits
  - smaller losses, better chances of alternatives to meet portfolio goals
  
- The correct questions:
  - Is continued ownership of this equity likely to be:
    - profitable ?
    - consistent with my investment goals?
  - Is the investment thesis still sound?
  - Why is market action inconsistent with the thesis?
  - What will reverse the market action?
  - ~~What are my other options?~~
    - Is there a better investment to be made? The index fund is always there !!

# Profits

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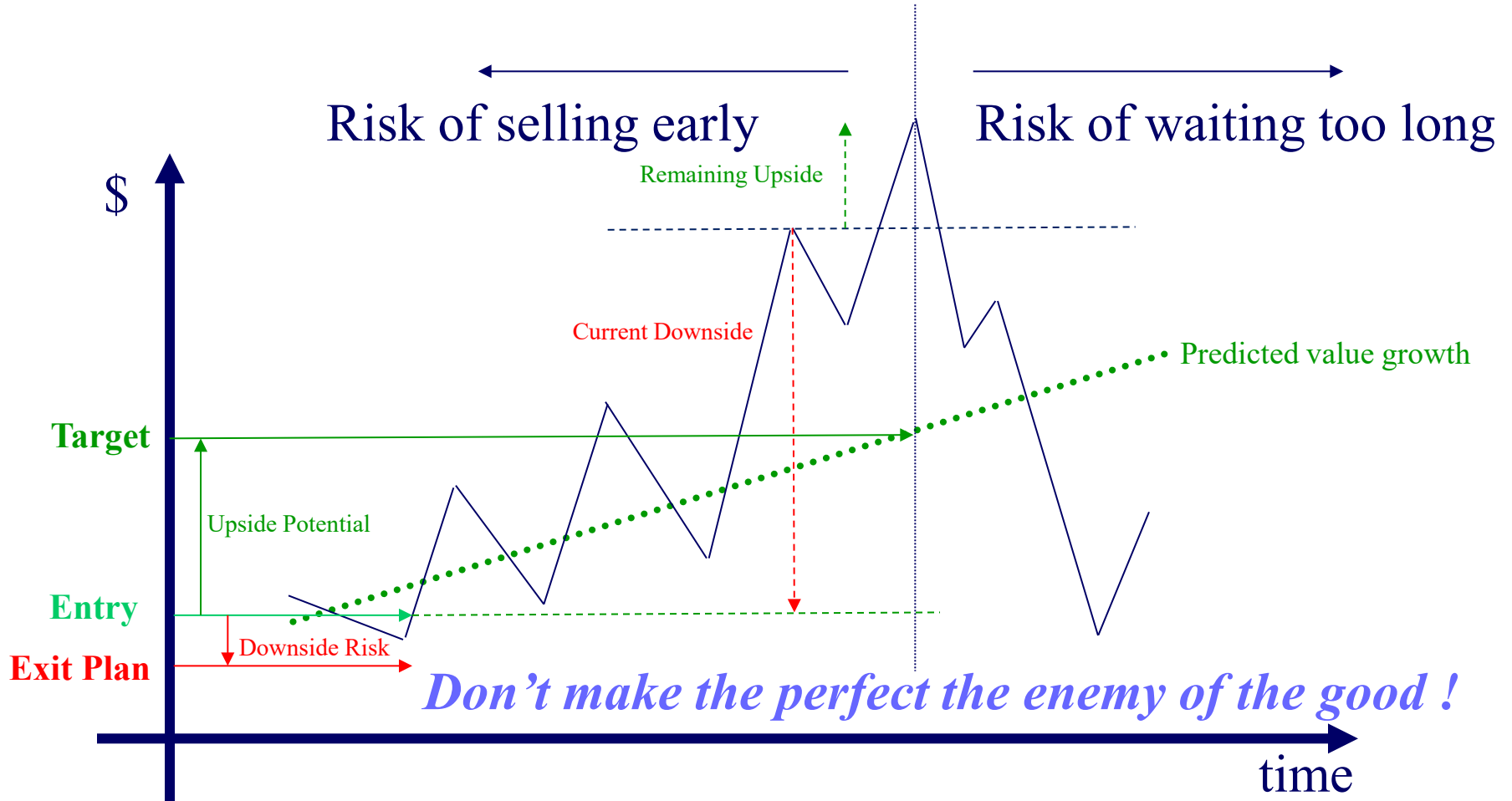
- You don't make money by buying stocks
  - Paper profits are worth.....paper!!
  - You are never wrong taking a profit
- Common reasons for not taking a profit
  - Commission phobia
  - Tax phobia
  - Long term investing = holding forever



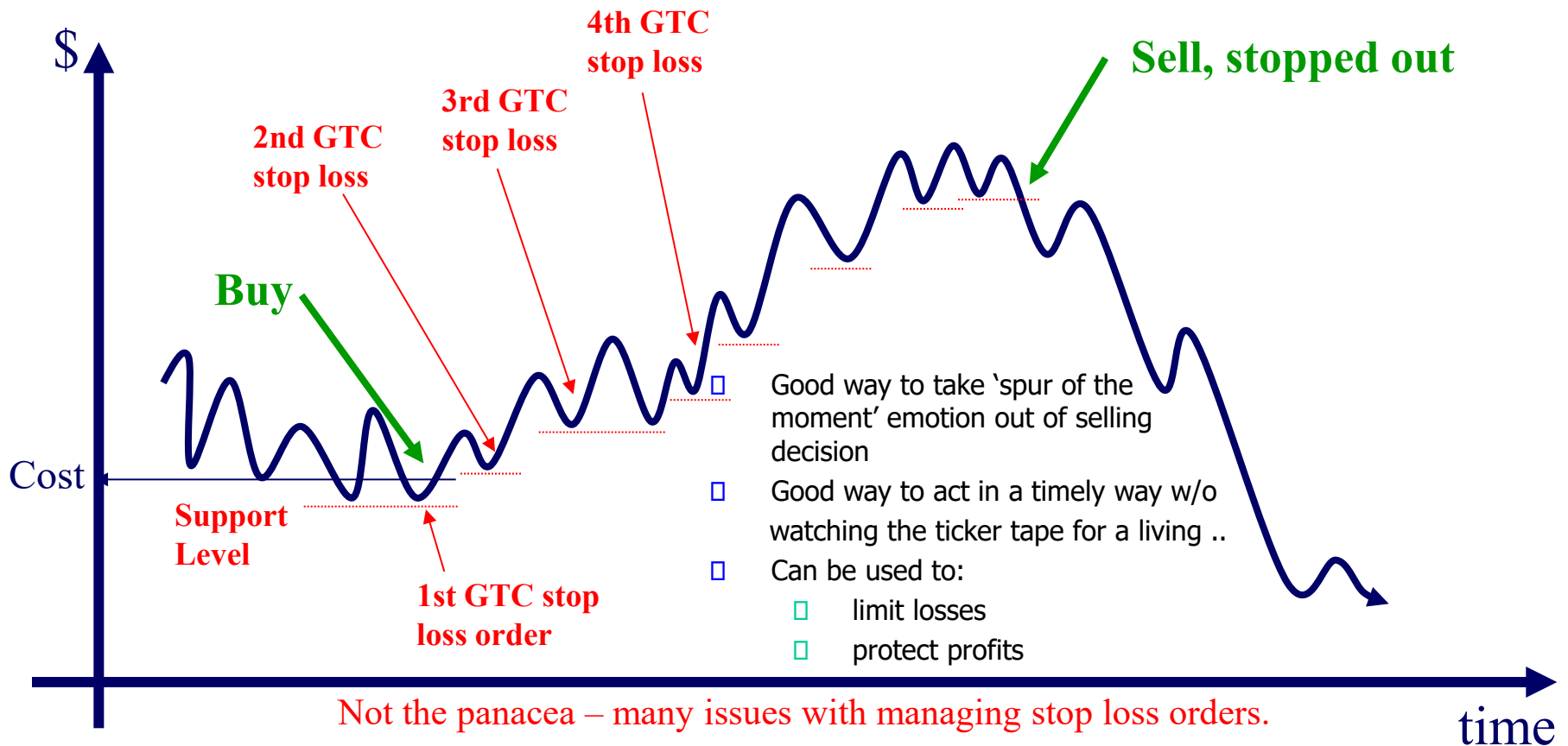
# Yes ! - be patient with winners

Stock	Value at Start	Change in 5 years	Value at end	Hold forever	Sell winners and losers at 20% change	Sell winners and losers at 50% change	Sell winners at 50% losers at 20%	Sell winners at 100% and losers at 10%	Let Winners Ride, Sell losers at 10%
A	\$ 100	200%	\$ 300	\$ 300	\$ 120	\$ 150	\$ 150	\$ 200	\$ 300
B	\$ 100	150%	\$ 250	\$ 250	\$ 120	\$ 150	\$ 150	\$ 200	\$ 250
C	\$ 100	150%	\$ 250	\$ 250	\$ 120	\$ 150	\$ 150	\$ 200	\$ 250
D	\$ 100	20%	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
E	\$ 100	20%	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
F	\$ 100	10%	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110
G	\$ 100	-20%	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 90	\$ 90
H	\$ 100	-50%	\$ 50	\$ 50	\$ 80	\$ 50	\$ 80	\$ 90	\$ 90
I	\$ 100	-50%	\$ 50	\$ 50	\$ 80	\$ 50	\$ 80	\$ 90	\$ 90
J	\$ 100	-90%	\$ 10	\$ 10	\$ 80	\$ 50	\$ 80	\$ 90	\$ 90
Total	\$ 1,000		\$ 1,340	\$ 1,340	\$ 1,030	\$ 1,030	\$ 1,120	\$ 1,310	\$ 1,510
			7%	7%	1%	1%	2%	6%	10%

# When will you sell?



# Protect gains - stop orders



# Summary - selling winners

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- Patience is a virtue with winners
- Ride a winner through proactive action
- Protect profits
  - stop loss orders, covered calls
  - selling part of a position
- Don't sell a winner and forget it
  - look to rebuy if fundamentals are sound and market gives you a fresh opportunity.

# Successful Investing

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- Be right more often than wrong
- Be right **BIG** and wrong **SMALL**
  - Take full advantage of your winnings
  - Cut you losses short

# Key messages ....

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- Selling is OK
- Match selling strategy to your investment thesis and bucket strategy.
- Three rules.
  - 1. Be impatient with your losers.**
  - 2. Protect your profits**
  - 3. Thinking of selling and selling are not the same**

# This semester's course content

## □ New content of current relevance to investor

- Alternative Asset Classes – Private Equity, Private Credit, Precious metals
- Disciplined withdrawal strategies – Dr. Craig Isrealson
- Financial Planning and Organization – Ron Materniak

## □ The basics

- Market updates
- What's different in investing in retirement
- There is no average retiree. Everyone's situation is different. Have a plan that fits your goals.
- Protecting capital and producing income and returns
- Bucket Investing
- Investing ideas that are currently relevant

**Goal – Learnings from the class have a positive impact on your investing as a retiree.**

# Feedback for the semester

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## □ Your feedback

### □ Feedback survey on Zoom

- Part 1 – Standard OLLI questions
- Part 2 – Did we create value for you as an investor?

### □ Feedback – send an Email to Ron, or myself

- Does the format continue to work? – Market update followed by topic.
- Content ideas ( except taxes, annuities)

# 14<sup>th</sup> Class – May 20th

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- **NO CLASS NEXT WEEK – 5/13**
- Market update
- Open Mike session
  - Only Market Update – no specific topic
  - Unanswered Questions
  - Discussion

# Thanks !!

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□ Happy Investing !!

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